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**CalHFA Program Provides Thousands of Dollars in
Down Payment Assistance to Many Educators in California**

SACRAMENTO – Many of California’s committed and hardworking educators are eligible for thousands of dollars in down payment assistance for their first home under a [California Housing Finance Agency](http://www.calhfa.ca.gov) program.

CalHFA’s Extra Credit Teacher Program rewards teachers and staff who work in the state’s high priority schools with a deferred down payment assistance loan and a 30-year, fixed rate FHA mortgage, making homeownership a possibility.

High priority schools are public or charter schools with an [Academic Performance Index \(API\) rank of 1 through 5](#). The 1 through 5 ranking is an indicator of lower test scores. These are the schools where talented teachers are especially needed to improve student performance and progress. The Extra Credit Teacher Program provides an incentive for teachers to serve and stabilize these schools and students. Educators and other staff in more than 450 school districts, from San Diego to Shasta counties, are eligible for the program.

In California, an elementary school teacher starts off earning about \$41,300 per year; mid-career teachers receive \$64,000 per year, according to the California Department of Education.

The Golden State’s median home price – meaning half the homes sell for more, the other half for less – was \$429,000 in September, according to the California Association of Realtors. And many communities, especially those in the Bay Area and Southern California, have much higher median home prices.

In fact, homebuyers needed to earn at least \$79,910 per year in order to qualify for the median home price at the end of the second quarter, according to the California Association of Realtors.

“Few teachers, especially at the beginning or even in the middle of their careers, can afford to buy a house in California, a state where they play a critical role in shaping the future,” said CalHFA Executive Director Claudia Cappio. “We want to make buying their first home a reality for them, just as they help many students reach their goals.”

The down payment assistance available to educators and other school staff depends on the location and the sales price of the home. In non-high cost areas, the down payment assistance is either \$7,500 or three percent of the sales price, whichever is greater. In high-cost areas, such as the Bay Area and parts of Southern California, the down payment assistance is the greater of \$15,000 or three percent of the sales price or appraised value, whichever is less.

The down payment assistance is in the form of a junior loan. But homeowners are not required to pay back the money until the home is refinanced, sold or the mortgage is paid off. If the homeowner stays in the high priority school and the home for at least three years, all of the interest on the second mortgage is forgiven.

CalHFA offers additional down payment assistance or grants that can be combined with the Extra Credit Teacher Program that will lower the monthly mortgage payment even further. For instance, the Extra Credit Teacher Program can be combined with ZIP, a zero-interest down payment program offered exclusively through CalHFA's CalPLUS program, an FHA first mortgage with a fixed interest rate.

Layering these down payment assistance programs can really add up – and a bigger down payment means a smaller monthly mortgage payment. “We have some of the best and brightest teachers, and when they do the math, they will realize the benefits of the program and how much money they will save,” Ms. Cappio said.

In addition to working at a high priority school, educators – from administrative and support staff to teachers – must be a first-time homebuyer (defined as anyone who has not owned a home for the past three years), meet income and sales price limits and complete a CalHFA Homebuyer Education course.

Additional information is available at
<http://www.calhfa.ca.gov/homebuyer/programs/ectp.htm>.

About CalHFA

For more than 35 years, CalHFA has supported the needs of renters and first-time homebuyers by creating and financing progressive housing solutions so more Californians have a place to call home. CalHFA is a self-supporting state agency and the bonds it issues are repaid by revenues generated through mortgage loans, not taxpayer dollars. For more information, visit www.calhfa.ca.gov